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FINANCIAL STATEMENTS AND ACCOUNTANT'S COMPILATION REPORT

**FIRE PROTECTION GRANT OF
PAINCOURTVILLE VOLUNTEER FIRE DEPARTMENT
(RECEIVED FROM ASSUMPTION PARISH POLICE JURY)
Paincourtville, Louisiana
December 31, 2004**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-20-05

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT


To the Board of Commissioners of
Paincourtville Volunteer Fire Department
Paincourtville, Louisiana

We have compiled the accompanying fire protection grant financial statements of Paincourtville Volunteer Fire Department received from Assumption Parish Police Jury, Paincourtville, Louisiana, as of and for the year ended December 31, 2004, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

As discussed in Note A, the financial statements present only the fire protection grant from Assumption Parish Police Jury and are not intended to present fairly the financial position and results of operations of Paincourtville Volunteer Fire Department, in conformity with accounting principles generally accepted in the United States of America.

The Paincourtville Volunteer Fire Department did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2004. The effects of this departure from generally accepted accounting principles have not been determined.



June 22, 2005

**FIRE PROTECTION GRANT OF
PAINCOURTVILLE VOLUNTEER FIRE DEPARTMENT
(RECEIVED FROM ASSUMPTION PARISH POLICE JURY)
Paincourtville, Louisiana**

**BALANCE SHEET – FIRE PROTECTION GRANT
December 31, 2004
(See Accountant's Compilation Report)**

	Special Revenue Fund- Fire Protection Grant	General Fixed Assets Acquired with Grant Funds	Total (Memorandum Only)
ASSETS AND OTHER DEBITS			
Assets:			
Cash and cash equivalents	\$ 39,214	\$ -	\$ 39,214
Accounts Receivable	2,122	-	2,122
General Fixed Assets-Grant:			-
Fire protection facilities and equipment	-	676,615	676,615
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 41,336</u>	<u>\$ 676,615</u>	<u>\$ 717,951</u>
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Lease purchase obligation payable	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
Equity and Other Credits:			
Investments in general fixed assets-grant funds	-	676,615	676,615
Fund balance-unreserved, undesignated	41,336	-	41,336
TOTAL EQUITY AND OTHER CREDITS	<u>41,336</u>	<u>676,615</u>	<u>717,951</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 41,336</u>	<u>\$ 676,615</u>	<u>\$ 717,951</u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION GRANT OF
PAINCOURTVILLE VOLUNTEER FIRE DEPARTMENT
(RECEIVED FROM ASSUMPTION PARISH POLICE JURY)
Paincourtville, Louisiana**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – FIRE PROTECTION GRANT
December 31, 2004
(See Accountant's Compilation Report)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental revenues:			
Fire protection grant from Assumption Parish Police Jury	\$ 96,903	\$ 85,788	\$ 11,115
Fire insurance rebate	-	12,225	(12,225)
Use of money and property -			
Interest earnings	456	628	(172)
Miscellaneous revenues	752	40	712
TOTAL REVENUES	<u>98,111</u>	<u>98,681</u>	<u>(570)</u>
EXPENDITURES			
Current operating			
Public Safety	41,833	44,651	(2,818)
Capital Outlay			
Public Safety	7,500	10,431	(2,931)
Debt Service			
Principal	26,884	26,884	-
Interest	1,784	1,748	36
TOTAL EXPENDITURES	<u>78,001</u>	<u>83,714</u>	<u>(5,713)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>20,110</u>	<u>14,967</u>	<u>(5,143)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>26,369</u>	<u>26,369</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 46,479</u>	<u>\$ 41,336</u>	<u>\$ (5,143)</u>

The accompanying notes are an integral part of this statement.

**FIRE PROTECTION GRANT OF
PAINCOURTVILLE VOLUNTEER FIRE DEPARTMENT
(RECEIVED FROM ASSUMPTION PARISH POLICE JURY)
Paincourtville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2004**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fire Protection Grant of Paincourtville Volunteer Fire Department received from Assumption Parish Police Jury have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the fire department's accounting policies are described below.

FINANCIAL REPORTING ENTITY - On April 18, 1991, the Assumption Parish Police Jury entered into a grant agreement with Paincourtville Volunteer Fire Department of Assumption Parish. The fire protection grant was for the purpose of acquiring, maintaining, and operating buildings, machines, water tanks, water hydrants, water lines and any other things necessary to provide proper fire prevention and control of the property within the boundaries of the department.

The volunteer fire department is a privately created quasi-public corporation that is subject to the grant provisions of its funding agency. The board members are not appointed by the police jury. The volunteer fire department is not fiscally dependent on the police jury and the nature and significance of their relationship with the police jury is not such that their exclusion would render the police jury's financial statements incomplete or misleading. Therefore, the volunteer fire department is a separate special purpose government.

The accompanying financial statements present information only on the fire protection grant received by the fire department from the Assumption Parish Police Jury and do not present information on the Police Jury, the general government services provided by that governmental unit, and other governmental units that comprise the Police Jury's reporting entity, nor any other non grant funds received by the fire department. Paincourtville Volunteer Fire Department of Assumption Parish has no component units.

FUND ACCOUNTING - The fire department is organized and operated on the basis of a fund and account group whereby a separate, self balancing set of accounts is maintained that comprises its assets, liabilities, fund equity, revenues, and expenditures.

SPECIAL REVENUE FUND - The special revenue fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

MEMORANDUM ONLY-TOTAL COLUMN - The total column on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

BASIS OF ACCOUNTING - Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The fire department's records are maintained on a cash basis of accounting. However, the fund, as reported in the accompanying financial statements, has been converted to a modified accrual basis of accounting using the following practices in recording revenues and expenditures:

Revenues are recognized in the accounting period in which they become susceptible to accrual-that is when they become measurable and available to finance expenditures of the fiscal period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

BUDGET PRACTICE - The fire department adopts an annual budget based on anticipated revenues consistent with generally accepted accounting principles. Annual appropriations of funds are not made. Budgetary accounts are not integrated in the formal accounting system. Encumbrance accounting is not followed because of the small number of transactions involved.

**FIRE PROTECTION GRANT OF
PAINCOURTVILLE VOLUNTEER FIRE DEPARTMENT
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**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2004**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

CASH AND CASH EQUIVALENTS - For reporting purposes, cash and cash equivalents include cash, demand deposits, and time certificates of deposit. Amounts are classified as cash equivalents if the original maturities are 90 days or less. Under state law, the department may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana and national banks having their principal offices in Louisiana. Further, the department may invest in time deposits or certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

GENERAL FIXED ASSETS AND LONG-TERM LIABILITIES - Fixed assets are accounted for in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical costs. The account group is not a fund. It is concerned only with the measurement of financial position and does not involve measurement of results of operations. It is the policy of the department not to capitalize interest. As the department has no infrastructure assets, no accounting policy for infrastructure assets has been adopted.

PENSION PLAN AND VACATION AND SICK LEAVE - All members of the fire department are volunteers. Therefore, the fire department does not contribute to a pension plan and does not have a formal vacation and leave policy.

NOTE B - CASH AND CASH EQUIVALENTS

At December 31, 2004, the department had cash and cash equivalents totaling (book balances) \$39,214. Cash and cash equivalents are stated at cost, which approximates market. The following is a summary of cash and cash equivalents (bank balances) at December 31, 2004, with the related federal deposit insurance:

Interest-bearing demand deposits	\$ 26,982
Certificate of deposit	<u>\$ 14,088</u>
Federal deposit insurance	<u>\$ 41,070</u>
Total insurance	<u><u>\$ 41,070</u></u>

NOTE C – CHANGE IN GENERAL FIXED ASSETS

The following is a summary of changes in fixed assets.

	BALANCE 12-31-03	ADDITIONS	DELETIONS	BALANCE 12-31-04
Fire protection facilities and equipment	\$ 666,184	\$ 10,431	\$ -	<u><u>\$ 676,615</u></u>

**FIRE PROTECTION GRANT OF
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Paincourtville, Louisiana**

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2004**

NOTE D – CAPITAL LEASE

Paincourtville Volunteer Fire Department entered into a lease purchase agreement during the year 2000 for the acquisition of a fire truck. The terms of the agreement require four (4) annual payments of \$28,631 at 6.50% interest.

The Paincourtville Volunteer Fire Department records vehicles acquired through capital leases as an asset and an obligation in the accompanying financial statements. The following is a summary of the capital lease obligation transactions for the year ended December 31, 2004:

Capital Lease Obligation Payable At January 1, 2004	\$ 26,884
Additions	-
Reductions	<u>(26,884)</u>
Capital Lease Obligations Payable At December 31, 2004	<u>\$ -</u>

NOTE E – LITIGATION AND CLAIMS

There are no claims or litigation pending against the fire department at December 31, 2004 according to management of the fire department.

**OTHER SCHEDULE REQUIRED BY
THE LEGISLATIVE AUDITOR, STATE OF LOUISIANA**

**FIRE PROTECTION GRANT OF
PAINCOURTVILLE VOLUNTEER FIRE DEPARTMENT
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Paincourtville, Louisiana**

**SUMMARY SCHEDULE OF PRIOR FINDINGS
December 31, 2004**

AGREED-UPON PROCEDURES FINDINGS:

1 - BUDGETING (6. Trace the budget adoption and amendments to the minute book)

Condition: The Paincourtville Volunteer Fire Department did not properly document in the minute book the approval of the adopted budget by the Commissioners.

Current status: Management of the fire department corrected this finding for the year ended December 31, 2004.

2 - BUDGETING (7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Condition: For the year ended December 31, 2003, the Paincourtville Volunteer Fire Department failed to include revenues in the budget; therefore, we could not compare actual revenues to budgeted revenues.

Current status: Management of the fire department corrected this finding for the year ended December 31, 2004. However, for the year ended December 31, 2004, actual expenditures exceeded budgeted amounts by 7%.